

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Periodic Reporting
Proposals Three Through Eight

Docket No. RM2014-6

PUBLIC REPRESENTATIVE MOTION
FOR ISSUANCE OF INFORMATION REQUEST

(July 10, 2014)

Pursuant to Rules 39 C.F.R. §3001.21(a) and 39 C.F.R. §3007.3(c), the Public Representative requests that an Information Request be issued to obtain additional clarifying data and explanation from the Postal Service concerning the proposed six proposals to change analytical methods for use in the Postal Service's periodic reports. The proposed questions seek information that will allow participants to provide more constructive comments and evaluate whether the proposal meets applicable legal and regulatory requirements. Obtaining this information will also contribute to a better understanding of how the Postal Service has interpreted Commission rules and allow the Commission to make a fully informed, reasoned determination on whether the proposals meets applicable legal and regulatory requirements, including 39 U.S.C. §3622(c)(10) and 39 C.F.R. part 3010.

Proposed Questions

For Questions 1 through 3, please refer to the Library Reference USPS-RM2014-6/1.¹

1. On p. 6 of the Report, you state: “the dataset for econometric analysis was drawn in the fourth quarter of FY2013”.
 - a. Please explain the reason for using the data particular for the fourth quarter of FY2013.
 - b. Would the results be different if you developed the dataset for econometric analysis using data from any other quarter of the same year?
 - c. Have you made any comparative econometric analysis using data from multiple quarters? Please provide such results, if you have them. If you have not performed any analysis of this kind, please explain why.
2. In Table 1 on page 9 of the Report you provide the comparison between the number of box contracts and transportation contracts from FY2013 dataset and Docket R2000-1.
 - a. Please provide the exact source and methodology for FY 2013 calculations of the number of box contracts and transportation contracts.
 - b. In the SAS dataset tcss_fy13.sas there are 5 different route type codes and corresponding 5 different route type descriptions: (1) “box route”, (2)

¹ Library Reference USPS-RM2014-6/1, filed June 2014, included in the library reference are: Rpt.Updat.PHT.Cost.Cap.Variab.docx, the Report on Updating the Cost-to-Cost Variabilities for Purchased Highway Transportation (Report); Tech.Append.Hwy.Variab.Updat (Technical Appendix); and tcss_fy13.sas (SAS dataset file).

“transportation”, (3) “combination (transportation/box delivery)”, (4) “combination (box delivery/transportation)” and (5) “trailer lease”. (See also Technical Appendix, p. 68). Based on this information, the number of contract cost segments by each route type code/description is as shown in the following table:

Route Type Code	Route Type Description	# Contract Cost Segments
1	Box Route	6,393
2	Transportation	8,007
3	Combination (transportation/box delivery)	774
4	Combination (box delivery/transportation)	560
5	Trailer Lease	135
All	Total	15,869

Please explain the connection, if any, between the # of contract cost segments shown in the above table and the number of box/transportation contracts presented in your Table 1 on p.9 of the Report.

3. On p. 17, 25 and 26 of the Report you provide the number of observations in the original/initial estimation (right column of Table 3 on p. 17 and second column from the right in Table 4 on p. 25), and remove the number of observations after unusual observations (right column of Table 5 on p. 26).
 - a. For some account sub-categories, # of initial observations” provided in Table 3 and Table 4 do not match. Thus, for Intra P&DC account category, type “VAN”, the number of initial observations presented in Table 3 is 4,103, while the corresponding number presented in Table 4 is 4,098.

Please explain the reason for the discrepancy and provide corrected Tables, if applicable.

- b. For some account sub-categories, the # of observations left after unusual observations were removed (right column of Table 5) is not equal the number if initial observations (either from Table 3 or Table 4) minus the number of unusual observations (right column of Table 4). Thus, for Intra P&DC account category, type "TT", the number of final observations shown in Table 5 is 767. The number of observations that were removed is 6 (see right column of Table 4). The number of initial observations should have been 773 (767+6). However, the number of the initial observations for Intra P&DC, type "VAN" shown in Table 3 is 774, and the corresponding number shown in Table 4 is 778. Please confirm which numbers are correct, explain the reason for the discrepancy and provide corrected Tables, if applicable.
4. Regarding Proposal 8, the Postal Service proposes to covert from IOCS tallies to POS volume data for the distribution of tracking costs.
 - a. Please provide the FY 2013 IOCS tallies for tracking by class/product, and the total tallies.
 - b. Please provide the FY 2013 POS volumes with tracking by class/product, and the total volume.

5. Please explain how the shift in distribution from using IOCS tallies to POS data leads to an increase in the cost of the tracking special service.

Respectfully Submitted,

/s/ Tracy N. Ferguson

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